

STATE OF DELAWARE
DEPARTMENT OF FINANCE
DIVISION OF REVENUE
601 DELAWARE AVENUE
WILMINGTON, DELAWARE 19899

TAX NEWSGRAM 72-30

March 2, 1972

WITHHOLDING TAXES


The Internal Revenue Service allows a taxpayer, under certain circumstances, to increase his exemptions in order to correct the overwithholding of Federal income taxes. The question has been raised as to whether the State of Delaware will conform with the new Federal law of liberalized withholding.

Section 1151 (b) of 30 Delaware Code states an employee shall be entitled to the same number of exemptions for State purposes, as claimed on the Federal return.

Delaware will, therefore, permit employers to withhold the State tax on the basis of the Federal Form W-4 filed by the employee.

If using the same exemptions for withholding of State taxes results in underwithholding of State income taxes, the employee will be permitted to reduce his exemptions so that proper withholding will be made.

Employees should file State Form W-4 for any change in exemptions.


J. H. Kennedy
Director of Revenue

jvm

DISTRIBUTION: B and C